

Consolidated Financial Statements
(Expressed in Canadian dollars)

MOSQUITO CONSOLIDATED GOLD MINES LIMITED

Unaudited – Prepared by management without review from the Company's auditor.

First quarter ended March 31, 2006 and 2005

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

CONSOLIDATED BALANCE SHEETS

Unaudited – Prepared by management
MARCH 31, 2006 AND DECEMBER 31, 2005

	March 31 2006	December 31 2005
ASSETS		
Current		
Cash	\$ 119,577	\$ 706,210
Marketable securities	33,360	33,360
Accounts receivable	321,565	300,127
Notes receivable (Note 3)	56,006	56,006
	530,508	1,095,703
Investments (Note 4)	93,750	93,750
Plant and equipment (Note 5)	248,678	251,572
Mineral properties (Note 6)	1,479,776	1,057,320
Reclamation deposits	21,000	21,000
	\$ 2,373,712	\$ 2,519,345
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
CURRENT		
Accounts payables and accrued liabilities	\$ 100,470	\$ 96,144
Due to related parties (Note 8)	450,207	413,238
	550,677	509,382
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	15,513,053	15,513,053
Contributed surplus	441,399	441,399
Deficit	(14,131,417)	(13,944,489)
	1,823,035	2,009,963
	\$ 2,373,712	\$ 2,519,345

COMMITMENTS AND CONTINGENCIES (Note 6 and 7)

SUBSEQUENT EVENTS (Note 7 and 9)

See accompanying notes

ON BEHALF OF THE BOARD:

"Brian McClay"
Director

"William Jefferies"
Director

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
Unaudited – Prepared by management
THREE MONTHS ENDED MARCH 31, 2006 AND 2005

	2006	2005
EXPENSES		
Amortization	\$ 9,276	\$ 5,250
Consulting	34,700	23,000
Foreign exchange loss (gain)	15,606	-
Management fees	39,000	39,000
Mineral project , maintenance and geological research	18,408	8,239
Office and miscellaneous	6,077	6,960
Professional fees	7,464	2,789
Rent	4,500	4,354
Shareholder information, transfer agent and filing fees	9,040	8,472
Telephone and communication	3,954	2,676
Travel and business promotion	38,903	28,985
	186,928	129,725
LOSS BEFORE UNDERNOTED ITEM	(186,928)	(129,725)
Net smelter royalty	-	55,257
NET LOSS FOR THE PERIOD	(186,928)	(74,468)
DEFICIT, BEGINNING OF YEAR	(13,944,489)	(13,689,239)
DEFICIT, END OF PERIOD	\$ (14,131,417)	\$ (13,763,707)
BASIC AND FULLY DILUTED INCOME (LOSS) PER SHARE	\$ (0.01)	\$ (0.01)

See accompanying notes

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited – Prepared by management
THREE MONTHS ENDED MARCH 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	\$ (186,928)	\$ (74,468)
Items not involving cash:		
Amortization	9,276	5,250
	(177,652)	(69,218)
Changes in non-cash working capital		
Accounts receivable	(21,438)	(5,104)
Accounts receivable – NSR	-	(55,257)
Accounts payables	4,326	(26,311)
	(194,764)	(155,890)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash stock issued for cash	-	-
Proceeds on option sale of mineral properties	-	50,000
Due to related parties	36,969	60,795
	36,969	110,795
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditures	(422,456)	-
Purchase of capital assets	(6,382)	-
	(428,838)	-
INCREASE (DECREASE) IN CASH DURING THE PERIOD	(586,633)	(45,095)
CASH, BEGINNING OF YEAR	706,210	48,069
CASH, END OF PERIOD	\$ 119,577	\$ 2,974
Supplementary information		
Income tax paid	\$ -	\$ -
Interest paid	-	-

See accompanying notes

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

1. NATURE OF AND CONTINUANCE OF OPERATIONS

The Company's principal business activities include acquiring and developing mineral properties. At March 31, 2006, the Company's principal mineral property interests are located in Canada, USA and Australia.

These consolidated interim financial statement shave been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative basis and consistence basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in consolidated financials statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim periods statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the management, all adjustments considered necessary for fair presentation have been included in these consolidated financial statements.

The Company is in the process of exploring and/or developing properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the property, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as exploration expenditures represent net costs to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of mineral properties and deferred costs, accounts receivable, and accounts payable and accrued liabilities at the date of the financial statements, and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates are the recoverability of mineral properties and amortization periods for capital assets. Actual results could differ from those estimates.

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

2. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Mineral properties

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations. Option payments received in excess of costs incurred are credited to income.

The Company reviews the carrying costs of its mineral properties on a regular basis. Management's estimates of mineral prices, recoverable proven and profitable reserves, operating capital, and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. The recoverability of the amounts shown for mineral properties and interests is dependent on the confirmation of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to successfully complete their development and future profitable operations. The amounts shown for mineral properties represent costs incurred to date, less write-downs and sale, and do not necessarily reflect the present or future values.

The Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, but these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Foreign currency translation:

The Company uses the temporal method to translate its foreign currency transactions. According to this method, monetary assets and liabilities denominated in foreign currencies are translated at the year-end rate of exchange rates and non-monetary assets and liabilities are translated at their historic rates. Revenues and expenses are translated at prevailing market rates at the transaction dates. Exchange gains and losses resulting from translation or settlement of foreign currency denominated monetary items are included in the determination of income (loss).

Stock-based compensation

The Company grants stock options in accordance with TSX Venture Exchange policies. All stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable, with that expense being charged to the related activity over the vesting period.

Fair value is calculated using the Black Scholes model for pricing options. The cost of stock based payments that are fully vested and non-forfeitable at the grant date is measured and recognized at that date. On the exercise of stock options, consideration received and the accumulated contributed surplus amounts are credited to share capital.

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

2. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalent, accounts receivable, marketable securities and accounts payable and accrued liabilities. Unless otherwise noted, it is the management's opinion that the carrying amounts of the financial instruments approximates fair value because of the short-term maturity of these instruments and that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. It is not practicable to determine the fair value of the amounts payable to related parties due to the related party nature and the absence of a secondary market for such instruments.

3. NOTES RECEIVABLES

On November 1, 2005, the Company executed a promissory note with a supplier in the amount of \$54,908, bearing 12% interest per annum and due on November 1, 2006. The note is secured mining equipment

4. INVESTMENTS

Pursuant to an agreement dated December 20, 1996, which became effective January 9, 1997, the Company purchased its 30% interest in Vicore Mining Development Ltd. for \$150,000. The investment is accounted for using the equity method.

5. PLANT AND EQUIPMENT

<i>March 31, 2006</i>	Cost	Accumulated Amortization	Net Book Value
Office equipment and furniture	\$ 172,710	\$ (156,665)	\$ 16,045
Mill cost	1,605,375	(1,503,214)	102,161
Mine equipment and vehicle	1,374,919	(1,244,447)	130,472
	\$ 3,153,004	\$ (2,904,326)	\$ 248,678

<i>December 31, 2005</i>	Cost	Accumulated Amortization	Net Book Value
Office equipment and furniture	\$ 166,328	\$ (155,506)	\$ 10,822
Mill cost	1,605,375	(1,503,214)	102,161
Mine equipment and vehicle	1,374,919	(1,236,330)	138,589
	\$ 3,146,622	\$ (2,895,050)	\$ 251,572

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

6. CAPITAL ASSETS

2005	Note ⁶	Jan. 1 2006	Current year Additions, Expenditures, Disposal	Accumulated Amortization, Depletion and Write-downs	Mar. 31 2006
Cariboo Mining District					
Acquisition	a, b	\$ 1,315,001	\$ -	\$ -	\$ 1,315,001
Exploration and development		7,144,168	-	-	7,144,168
General and administration		1,231,026	-	-	1,231,026
Adit		2,170,737	-	-	2,170,737
Amortization, proceeds and write-downs		-	-	(11,786,068)	(11,786,068)
		11,860,932	-	(11,786,068)	74,864
Placer Lease	c	-	-	-	-
Brett 1 and 2,	e	141,599	-	-	141,599
Lavery and Cumming Claim Group, Red Lake, Ontario	f	88,700	-	-	88,700
Cumo Molybdenum Property, Idaho, USA	g	1	-	-	1
Red Lake Gold Property, Red Lake, Ontario	j	25,674	976	-	26,650
Pine Tree Property, Nevada, USA	h	641,829	356,455	-	998,284
Blackpoint property, Nevada, USA	i	82,819	-	-	82,819
Trikay Property, Queensland, Australia	k	1,832	397	-	2,229
Statlu Aggregate Project,(Gravel), Canada	n	-	64,630	-	64,630
Balance, December 31, 2005		\$ 12,843,388	\$ 422,456	\$ (11,786,068)	\$ 1,479,776

2005	Note ⁶⁷	Jan. 1 2005	Current year Additions, Expenditures, Disposal	Accumulated Amortization, Depletion and Write-downs	Dec. 31 2005
Cariboo Mining District					
Acquisition	a, b	\$ 1,315,001	\$ -	\$ -	\$ 1,315,001
Exploration and development		7,144,168	-	-	7,144,168
General and administration		1,231,026	-	-	1,231,026
Adit		2,170,737	-	-	2,170,737
Amortization, proceeds and write-downs		-	(500,000)	(11,286,068)	(11,786,068)
		11,860,932	(500,000)	(11,286,068)	74,864
Placer Lease	c	-	-	-	-
Brett 1 and 2,	e	92,710	48,889	-	141,599
Lavery and Cumming Claim Group, Red Lake, Ontario	f	88,700	-	-	88,700
Cumo Molybdenum Property, Boise County, Idaho, USA	g	89,083	(89,082)	-	1
Red Lake Gold Property, Red Lake, Ontario	j	-	25,676	-	25,676
Pine Tree Property, Nevada, USA	h	-	641,829	-	641,829
Blackpoint property, Nevada, USA	i	-	82,819	-	82,819
Iris, Russia	l	1	(1)	-	-
Zun Hada, Russia	m	1	(1)	-	-
Trikay Property, Queensland, Australia	k	1,026	806	-	1,832
Balance, December 31, 2005		\$ 12,132,453	\$ 210,935	\$ (11,786,068)	\$ 1,057,320

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

6. CAPITAL ASSETS (cont.)

a. Cariboo Gold Quartz property, British Columbia, Canada

The Company has a 100% interest, subject to a 10% net profits interest, in the mining properties known as the Mosquito Creek Gold property and the Cariboo Gold Quartz property. The properties are located in the Cariboo Mining District of British Columbia, Canada.

In October 1994, the Company entered into an agreement with International Wayside Gold Mines Ltd. (Wayside), a Company then having a common director, whereby Wayside was granted an option to earn a 50% undivided interest in the Company's Cariboo Gold Quartz property, consisting of certain mineral claims and leases located in the Lillooet Mining District, British Columbia. In order to earn the 50% interest in the property, Wayside was required to issue 500,000 shares (received) and make option payments totaling \$50,000 (received) and incur cumulative exploration and development expenditures totaling \$1,450,000 on the property over six years to earn the interest to October 3, 2000. Thereafter, for each additional year, Wayside is required to spend an additional \$500,000 per year, until a production decision is made or the agreement is terminated. The 50% interest in the property would then vest in Wayside when a satisfactory feasibility study on the property is submitted.

b. Cariboo Gold Quartz property, British Columbia, Canada

On April 5, 1997, the Company entered into an agreement with Wayside to sell the remainder of its interest in mineral property claims located in the Cariboo Mining District, excluding placer rights, for \$10,000,000 (of which \$100,000 was paid in 1997). The Company would retain a 5% net smelter royalty on the first 100,000 ounces of gold produced from the properties, a 3.5% net smelter royalty on the next 100,000 ounces of gold produced, and a 2.5% net smelter royalty on the balance of gold production.

On December 31, 1997, the Company signed an amendment to the agreement described above and entered into a letter agreement with Wayside dated January 25, 1999 for the option to purchase the remainder of its interest in the property, excluding placer rights. The revised agreement provides for Option to Wayside to purchase the remainder of its interest, subject to Net Smelter Royalty ("NSR") of 3% of net revenue for \$100,000 to be paid to the Company by Wayside for up to five years to the year December 31, 2001 and \$3,500,000 payable on or before December 31, 2003. Wayside had an option, at any time, to purchase the properties for a lump sum payment of \$3,500,000. Wayside would be responsible to satisfy 10% Net profit Interest in relation to the property. In 2002, the agreement was amended whereby Wayside paid the Company an additional \$54,303 for the Year 2002.

In August 2003, the agreement was terminated and the Company entered into a new Property Option Agreement with Wayside for the 50% interest in the Cariboo Gold Quartz Mineral Claims and a 100% interest in the Mosquito Mine Mineral Claims (the "Property") excluding the placer mining rights. The mill, all buildings and hoist on the claims is included as part of the Property.

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

6. CAPITAL ASSETS (cont.)

- b. Cariboo Gold Quartz property, British Columbia, Canada (continued)

The new option agreement provides for the following:

- Wayside must make the following cash payments to the Company:
 - \$50,000, on the signing of the agreement (received);
 - \$450,000 on or before September 15, 2003 (received);
 - \$500,000 on or before August 31, 2004 (received);
 - \$500,000 on or before August 31, 2005 (received);
 - \$500,000 on or before August 31, 2006; and,
 - \$3,500,000 on or before December 31, 2006;
- Any time prior to the exercise of the Option Wayside would have the exclusive right to extract bulk samples (the "Bulk Sample") from the Properties in two stages. The first stage would involve 40,000 tons of sample material or recovery of not more than 15,000 ounces of refined gold, whichever is achieved first, followed by a second stage of bulk sampling program of the second stage 40,000 tons of sampled material or recovery of not more than 15,000 ounces of refined gold, whichever is achieved first.
- Wayside will be responsible at its cost to maintain the Properties and the existing permits in good standing and also be responsible for all environmental and reclamation compliance.
- The Company will be entitled to receive a royalty of 5% Net Smelter Return ("NSR") derived from Bulk Sample. Upon exercise of the option by Wayside, the Company's royalty will revert to 3% NSR; Wayside would be responsible to satisfy 10% Net Profit Interest in relation to the property.

As at December 31, 2005, Wayside has extract bulk sample and the Company computed the NSR receivable to be \$242,305 of which \$54,293 has been received from Wayside.

- c. Wells-Barkerville, British Columbia, Canada

In the Year 2000, the Company with the former president of the Company acquired 117 claims in the Wells-Barkerville, BC. In the Year 2001, the former president of the Company and the Company granted to Golden Cariboo Resources Ltd. the sole and exclusive right to earn the 100% right, title and interest in the claims in return for \$10,000, 200,000 shares of Golden Cariboo Resources Ltd. and 2% net smelter royalty ("NSR"). Golden Cariboo Resources Ltd. can purchase the 2% NSR from the Company and the former president of the Company for a cash payment of \$2,000,000 (\$1,000,000 to the Company).

- d. Tillicum property, British Columbia, Canada

In the Year 2002, the Company acquired 1330275 Ontario Ltd. from Mustang Mineral Corp. for a consideration of 200,000 common shares of the Company at deemed value of \$20,000 plus \$2,500 (paid) and an additional \$27,500 payable by December 31, 2003. In Year 2003, the Company completed the obligations by payment of \$20,000. 1330275 Ontario Ltd. held 100% interest in Tillicum property in the Slocan Mining District, BC. During the Year 2004, the Company requested an extension of the lease with the original owners and reached a settlement whereby the Company transferred all interest in the property in return for a payment of \$10,000 (not received). In January 2005 the Company disposed of 1330275 Ontario Ltd. at its calculated fair market value.

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

6. CAPITAL ASSETS (cont.)

- e. Brett #1 and #2, British Columbia, Canada

In the Year 2002, the Company acquired 30% interest in the Brett #1 and Brett #2 mineral claims located in the Vernon Mining District of British Columbia from Vicore Mining Developments Ltd. (“Vicore”) for \$4,391 received as dividend payment (*Note 3*). In Year 2003, the Company acquired the remaining 70% for a consideration of 500,000 common shares of the Company at a deemed value of \$125,000. Vicore retains a 2% NSR.

During the Year 2004, the Company executed an Option Agreement whereby the Company optioned 50% of its interest in the Brett Property to Running Fox Resource Corp (“Running Fox”) for 200,000 shares of Running Fox, at a deemed value of \$80,000 and Running Fox to incur \$500,000 exploration expenditure. During the Year 2004, Running Fox incurred the required exploration expenditure. The Company as the joint venture (50%-50%) operator with Running Fox incurred a total of \$67,275 in exploration expenditures.

- f. Lavery Property, Red Lake, Ontario, Canada

In the Year 2004, the Company acquired 100% interest in 1156207 Ontario Ltd. for \$80,000 with the vendor retaining 1% NSR. 1156207 Ontario Ltd. holds 100% interest in two groups of patented mineral claims known as the “Lavery Property”, Red Lake, Ontario and the “Cummins Property”, near Larder Lake, Ontario. In connection with the acquisition, the Company issued 15,000 shares at deemed value of \$8,700 as finder’s fee.

- g. Cumo Molybdenum Property, Idaho, USA

On October 13, 2004, the Company completed an “Option to Purchase Agreement” with Cumo Molybdenum Mining Inc. to purchase 8 unpatented mineral claims located in Boise County, Idaho, USA known as “Cumo Molybdenum Property”. The term of the agreement call for stage advanced royalty payments scheduled as follows:

i)	US \$10,000	upon signing (paid)
ii)	US \$10,000	60 days after signing (paid)
iii)	US \$5,000	6 months after signing (paid)
iv)	US \$20,000	Year 1 after signing (paid)
v)	US \$20,000	Year 2 after signing
vi)	US \$15,000	Year 3 after signing
vii)	US \$15,000	every 6 months thereafter

These payments are to be credited against a 1.5% NSR which reduces to 0.5% NSR after payments of US \$3 million.

In addition, after 60 days of signing the agreement, the Company will issue 90,000 shares of the Company at deemed value of \$63,900 (issued), further 90,000 (issued) shares after nine months and a further 120,000 after 18 months. The shares were issued in April 2006.

The Company is required to perform at least US \$25,000 worth of work on the property during the first year and at least US \$50,000 worth of work each year thereafter for as long as the Option is in effect. The dollar value of production royalty paid can be counted as “work”

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

6. CAPITAL ASSETS (cont.)

g. Cumo Molybdenum Property, Idaho, USA (continued)

The Company also agreed to pay finder's fees which have now been determined to 60,000 shares of the Company as approved by the regulatory authorities.

On January 21, 2005, the Company entered into an option agreement with Kobex Resources Ltd. ("Kobex"), whereby Kobex may acquire a 100% interest in two Company properties, the Cumo Molybdenum Property located in Boise County, Idaho and the Trikey Copper-Gold Property in Queensland, Australia. Under the terms of the Agreement, Kobex would earn a 100% undivided interest in the Swan Property in consideration of cash payment of \$5,000,000, 12,500,000 treasury shares and \$10,000,000 of work expenditure commitment.

Under the terms of the Agreement, Kobex also assumed certain obligations with respect to the "Option to Purchase Agreement" between Cumo Molybdenum Mining Inc. and the Company, including the minimum advance royalty payments.

On November 7, 2005, the Company signed an amending agreement with Kobex whereby Kobex surrendered all the rights and interest to the Trikey Property and in consideration of the surrender of the Trikey property, the Company agreed to reduce all cash payments and expenditures to be made on the Cumo Property by 25% and the amount of expenditures was extended by one year. The number of shares to be issued to the Company by Kobex is reduced by 25% as follows:

Option Exercise Schedule	Issue Shares	Payment	Exploration Expenditures
Upon execution of the agreement (1)	-	\$ 50,000 (1)	\$ -
Upon completion of due diligence and acceptance of filing by regulatory authorities	375,000 (1)	50,000 (1)	-
Earlier of 6 months after signing and the date of regulatory acceptance (1)	-	150,000	-
On or before January 21, 2006	1,125,000	187,500	-
On or before July 21, 2006	-	187,500	-
On or before January 21, 2007	1,500,000	562,500	750,000
On or before January 21, 2008	2,625,000	1,125,000	1,125,000
On or before January 21, 2009	4,375,000	1,500,000	1,500,000
On or before January 21, 2010	-	-	1,875,000
On or before January 21, 2011	-	-	2,250,000
Total	10,000,000	\$ 3,812,500	\$ 7,500,000

(1) Amounts have been received and shares have been received.

h. Pine Tree Copper-Molybdenum Property, Nevada, USA

On May 10, 2005, the Company signed a "Mineral Property Option Agreement" ("Agreement") to purchase certain unpatented mineral claims located in Mineral County, Nevada, USA known as "Pine Tree Copper-Molybdenum Property". Under the terms of the Agreement, the Company would earn a 100% undivided interest in the Pine Tree Property in consideration of cash payment of US\$2,000,000, 300,000 treasury shares and US\$150,000 of work expenditure commitment.

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

6. CAPITAL ASSETS (cont.)

- h. Pine Tree Copper-Molybdenum Property, Nevada, USA (continued)

The summary of the terms are as follows:

Option Exercise Schedule	Issue Shares	Payment	Exploration Expenditures
Within 7 days if signing the agreement (1)	-	\$ 10,000 (1)	\$ -
Upon approval of TYSX_V (1)	50,000 (1)	10,000 (1)	-
On first anniversary of the Agreement	50,000 (1)	25,000	50,000
On second anniversary of the Agreement	60,000	35,000	100,000
On third anniversary of the Agreement	60,000	50,000	-
On fourth anniversary of the Agreement	80,000	125,000	-
On fifth anniversary of the Agreement	-	25,000	-
Each year thereafter (2)	-	-	-
Total	300,000	\$ 280,000	\$ 150,000

(1) Shares have been issued and US \$20,000 paid

(2) The Company would pay \$25,000 each year after the fifth anniversary until a total of US\$2,000,000 has been paid. These payments would be credited against a 1.5% NSR which after the payment of US\$2 million would reduce the NSR to 0.50%.

At any time within 2 years of approval by the TSX_V, the Company may purchase the property outright for US\$1,000,000 plus the share consideration. If the Company sells, assigns or creates a joint venture with any third party within two years of the date of the Agreement, the vendors would be entitled to 20% of the share consideration received.

- i. Blackpoint Exploration Property, Nevada, USA

During the Year 2005, the Company acquired by staking 49 claims which cover the Blackpoint exploration property near Eureka, Nevada

- j. Red Lake Gold Property, Ontario, Canada

On June 10, 2005, the Company signed an "Option to Purchase Red Lake Mineral Claims Agreement" ("Red Lake Agreement") to purchase 4 patented mineral claims located in Bateman Township on the eastern shores of Red Lake, Ontario Canada, known as the "Red Lake Gold Property". Under the terms of the Agreement, the Company would earn a 100% undivided interest in the Red Lake Property in consideration of cash payment of \$500,000 follows:

Option Exercise Schedule	Payment
Upon approval of TYSX_V (the "Approval")	\$ 25,000 (paid)
On first anniversary of the Approval	50,000
On second anniversary of the Approval	75,000
On third anniversary of the Approval	100,000
On fourth anniversary of the Approval	250,000
Total	\$ 500,000

The vendors retained a 2% NSR and the Company may purchase 1% of the NSR at anytime for \$1,000,000.

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – Prepared by management

MARCH 31, 2006 AND 2005

6. CAPITAL ASSETS (cont.)

k. Trikay Property, Queensland, Australia

During the Year 2004, the Company filed exploration permits covering the Trikay property in Queensland, Australia. On January 21, 2005, the Company entered into an option agreement with Kobex whereby Kobex may acquire a 100% interest in two Company properties, the Cumo Molybdenum Property located in Boise County, Idaho and the Trikay Copper-Gold Property in Queensland, Australia. On November 7, 2005, the Company signed an amending agreement with Kobex whereby Kobex surrendered all the rights and interest to the Trikay Property and the Company granted Kobex a right of first refusal for a period of two years in the event the Company wishes to enter into an agreement with a third party.

l. Iris, Russia

In the Year 1996, the Company entered into an agreement to purchase a 50% interest in a Closed Joint Stock Company (“CJSC”) named Iris, a company with mineral property claims in the Troitsky area located in the Republic of Buryatia, Russia. Subject to approval from Russia State Committee for Anti-Monopoly and Support for New Economic Structures (the committee), the Company is required to pay U.S. \$200,000 to acquire the shares and up to a maximum of U.S. \$3,050,000 to fund exploration and conduct a feasibility study. In the Year 1997, approval was obtained from the Committee for the agreement, and the Company paid U.S. \$140,000 towards the purchase of the shares in Iris. The management of the Company wrote down the property to a nominal value of \$1 in Year 2000. In the Year 2001, the Company returned the shares of the CJSC for a consideration of US \$200,000 from profits of CJSC. The investment is written down to a nominal value of \$1. During the year December 31, 2005 the Company wrote off the investment.

m. Zun Huda, Russia

In the Year 1996, the Company entered into an agreement to purchase a 50% interest in a Closed Joint Stock Company named Zun Hada, a company with mineral property claims to the Barun Halbinsky gold deposit located in the Republic of Buryatia, Russia. Subject to approval from the Committee, to earn its interest the Company was required to pay U.S. \$4,500,000 over two years and issue to Zun Hada non-interest bearing loans in the amount of U.S. \$200,000 & \$250,000. In the Year 2000, the Company negotiated with the new owners for the repayment of U.S. \$200,000 advanced to Zun Hada. Upon the receipt of the full amount, the title and ownership of the property the ownership of Zun Hada would be transferred. In Year 2001, the Company has received US \$100,000 and has written down the property to nominal value of \$1. During the year ended December 31, 2005 the Company wrote off the investment.

n. Statlu Aggregate Project, British Columbia, Canada

On December 21, 2005, the Company entered into an option agreement whereby the Company would earn a 60% in the Statlu Aggregate Project near Chehalis, British Columbia. Under the terms of the Agreement, the Company would finance the project to the time a license of occupation is issued by the Department of Land and Water of British Columbia and a permit is issued which would allow sand and gravels from the property to be mined and sold. If the Company fails to acquire the required license by December 31, 2008, the agreement would expire and be null and void. The agreement is subject to approval by the regulatory authorities.

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7. CAPITAL STOCK

(a) Authorized – unlimited common shares without par

(b) Issued and outstanding:

	Number of Shares	Amount
Balance, December 31, 2004	20,639,303	\$14,231,803
For cash:		
Pursuant to private placement at \$1.00	1,065,000	1,065,000
Finders fee pursuant to private placement	-	(42,000)
Pursuant to a exercise of stock options at \$0.33	425,000	140,250
For other consideration		
Pursuant to the acquisition of Cumo Property	90,000	63,000
Pursuant to the acquisition of Pine Tree Property	50,000	55,000
Balance, December 31, 2005 and March 31, 2006	22,269,303	\$15,513,053

(c) Stock options outstanding

Pursuant to the policies of the TSX Venture Exchange ("TSX_V"), the Company may grant incentive stock options to its officers, directors, and consultants. TSX_V policies permit the Company's directors to grant incentive stock options for the purchase of shares of the Company to persons in consideration for services.

The continuity of incentive stock options for fiscal as at March 31, 2006 is as follows:

Expiry	Price (\$)	Outstanding Jan. 1, 2005	Granted	Cancelled, Expired Exercised	Outstanding Dec. 31, 2005
September 9, 2006	0.33	2,050,000	-	425,000	1,625,000

Subsequent to March 31, 2006, the Company issued 5,000 common shares at \$0.33 per share pursuant to the exercise of share purchase options outstanding.

Subsequent to March 31, 2006, the Company granted 179,000 share purchase options to directors and officers of the Company. Each option entitles the holder to purchase one common share at \$1.60 per share until April 18, 2011.

(d) Share purchase warrants outstanding

Outstanding share purchase warrants at March 31, 2006 were as follows:

Expiry	Price (\$)	Outstanding Jan. 1, 2005	Granted	Exercised	Outstanding Dec. 31, 2005
July 28, 2006	1.25	-	532,500	-	532,500

The Company issued 62,500 common shares at \$1.25 per share pursuant to the exercise of share purchase warrants options outstanding.

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8. RELATED PARTY TRANSACTIONS

The advances and loans are unsecured, bear no interest, and are repayable on demand.

A summary of the amounts charged to the Company by related parties of the Company is as follows:

	2006	2005
Included in operations		
Management fees	\$ 39,000	\$ 39,000

Any other payments are made as reimbursement of expenses to officers or directors in normal course of business.

9. SUBSEQUENT EVENTS

- a. Subsequent to March 31, 2006, the Company completed a non-brokered private placement of 2,200,000 units at \$1.08 per unit for total proceeds of \$2,376,000. Each unit consists of one common share and one share purchase warrant. The share purchase warrant entitles the holder thereof the right to purchase one additional common share at \$1.45 for a two year period. In connection with this private placement, finders' fees would be payables.
- b. Subsequent to March 31, 2006 the Company commenced action against Wayside to recover the amount of \$187,048 owed to the Company for NSR on the bulk sample extracted from the Cariboo Gold Quartz Property, British Columbia, Canada.
- c. Subsequent to March 31, 2006 the Company entered into a contract with Connect Capital Ltd. to provide corporate and investor relation services. The Company is to pay \$8,000 per month for a period of one year with provisions for renewal after this initial period. The agreement also grants stock options to Connect Capital Ltd. to purchase 440,000 common shares of the Company at \$1.60 per share exercisable for a term of five years from the date of granting. The agreement is subject to approval by the regulatory authorities.